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Our Constitution — our win

Presidential solitaire



The first ever presidential elections in Belarusian history have been scheduled for June 23. Yuri DRAKOKHRUST gives his story about pre-election platforms of the prospective candidates and evaluates their chances of success.

On March 15 the Belarusian Parliament adopted a new Constitution and presidency. The lawmakers passed a bill on presidential elections and fixed an election day on June 23. The election campaign is virtually at full blast.

There are few real candidates for the office of president. They are Mr. Vyacheslav Kebich, the head of Government, Mr. Stanislav Shushkevich, ex-speaker of the Parliament, Mr. Alexander Lukashenko, a deputy, Mr. Zenon Poznyak, leader of the Popular Front, Mr. Genadiy Karpenko, mayor of Molodechno and chairman of the People's Accord Party, and Mr. Mecheslav Gryb, Chairman of the Belarusian Parliament. A draft bill on presidential elections sets out too a high hurdle to be

cleared by the prospective candidates: 70 deputies of the Supreme Soviet or 100,000 residents must canvass for each candidate within two weeks. The first option works fine for Premier Kebich and speaker Gryb. The other candidates will have to undertake painstaking efforts in order to gain 100,000 votes. This stage alone can sift out many potential candidates.

To all appearances, the democrats will fail to agree and put forward a common candidate. Zenon Poznyak has officially said that the Popular Front will not support Shushkevich at the elections but, conversely, do its best to campaign against him.

Please see, "Excellent six" paves way for elections page 2



New Belarusian Constitution has been adopted by the Parliament on March 15. Speaker Mecheslav Gryb is well justified in feeling great joy.

Sergey GRITS

Toy market economy

By Leonid SHATON

Business after privatization

Oddly enough, privatization went ahead when Belarus was still a Soviet socialist republic. Then there arose a crucial question: what was to be done with the fragments of All-Union production amalgamations producing, for instance, wrist watches, bearings, toys and the like? These production facilities used to belong to the Soviet Union but then had to be divided up among the sovereign republics.

The problem was frequently settled in an easy and simple way. The fractions of such amalgamations were leased to working groups which were entitled to buy those slivers out. However, within one year this practice was terminated as it became clear that such leasing terms based on historic accounting "balances" were tantamount to an almost free handover of the real estate property.

The so-called "people's enterprises" were a second possible way out. This unprecedented legal form of ownership can be referred to as a transition from a state-run enterprise to private ownership.

And, finally, joint-stock companies set up on the base of the former All-Union enterprises emerged as a third option. That was the way the Minsk watch factory and the "MIR" toy production amalgamation went private.

In this article we will talk about the "AKTAMIR" joint-stock company (formerly "MIR") and touch upon the problems any production enterprises may face now. We will also dwell on the snags which have particularly hit fully privatized enterprises, i.e. plants the state no longer takes interest in.

Kids cry while adults laugh

Every grown-up was once a baby and every baby definitely had a teddy bear. Let us contemplate by way of the teddy bear whether it feels good to be privatized.

The teddy bear is made up of two basic components: a man-made fur and padding. Labour, electricity and heating supplied for the shops as well as taxes account for the remaining constituents of the teddy bear's cost price. Let us dwell at length on each of these components.

The fur is manufactured at Zhlobin man-made fur factory which is second to none in Europe. Today the price of Zhlobin fur exceeds the world price and is, approximately, the equivalent of \$4 per square metre at the exchange rate of the National Bank.

Please see, Is it good to be privatized? page 2

Price of inactivity, price of imbecility

March was a bad month for the Belarusian "rabbit". Within two weeks alone the exchange rate of the national currency unit of the RB (this is how the "rabbit" is referred to in the official papers) halved. It had no precedent in Belarusian history.

Mid-February saw rapid appreciation of hard currencies on the money market of Belarus. The dollar grew 17.6% over a two-week period. Prior to this upswing the dollar exchange rate had remained static for 2 months and a half starting early December last year. But it was nothing compared to what was still to come. In March the hard currencies almost doubled. It would be respectable to mention that the Interbank Currency Exchange did not have tenders until the 1st of April. However, the "black market" money activities had no let-up.

Economy disintegration

So what has happened? The economy has collapsed. The production volume has gone down by 35-55% in 1994 so far. The working capital of the enterprises is frozen as their products either do not sell due to low quality and high prices or have been dispatched to bankrupt buyers. By and large, in this way close on 3 trillion "rabbits" which is

the approximate equivalent of \$300 mln has been withdrawn from circulation in this country. Furthermore, companies have been incurring losses owing to the surplus labour (30-50% of the employed manpower) and huge overhead charges.

The government no longer has control over the situation. It can see only one escape: printing money. Colossal inflation "injections" solely sustain the economy activities for outward appearance. This is what they call "Ukrainization" in the post-Soviet language. In short, it stands for national currency devaluation and production collapse.

Judge by yourselves: in January-February 1994 BRB 2.3 trl worth of credits was granted to the agro-industrial complex to finance deficits. That was twice the amount obtained in 1993. It led to the devastating inflation which exceeded 50-60% in March. In this situation the Government was compelled to double minimal monthly salaries up to 60,000 "rabbits" starting April 1. Such actions surely whip the inflation up and give it a new twist. In addition, poor and irresponsible methods of economy management have created an environment in which the energy debts of Belarus have topped RUB 500 bln (USD 300 mln). Where is

the country to get the money in order to reimburse Russia? Belarus is not self-sufficient in funds. Credits in hard currency granted by the International Monetary Fund for structure reconstruction have been used to repay other outstanding debts. That is why the Government has opted for daylight robbery of the companies which earn hard currencies or Russian roubles.

Currency robbery

On February 28 the Council of Ministers and the National Bank approved joint enactment N 114/1. According to this enactment in 1994 it is obligatory on economic entities to sell 50% of hard currency earnings to the Interbank Currency Exchange. On top of that 15% of hard currency proceeds should go to the Finance Ministry as a currency rental which is, however, charged in BRB with the single exchange rate set by the National Bank. Thus, all in all 65% of hard profits is appropriated.

This information is just to refresh your memory. Under enactment N 56 of February 4, 1994 the Council of Ministers has introduced in the same way the regulations on taking away 100% earnings in Russian roubles.

But seemingly this was



The dollar is the only thing in this country that is getting better. In March it was just so. Alexander BURDA gives the Government negative credit for the hard currency topsy-turvy.

not enough. On March 11, 1994 the Council of Ministers passed Enactment N 139. In keeping with this edict it was allowed to withdraw the March hard currency earnings from the economic entities and then offset them in "rabbits" at the exchange rate of the National Bank as of February 2 which was, basically, 2.3 times lower than the market rate.

Currency market collapse

As a result of the government bills the currency market appeared to be paralysed. There were no dollar tenders in early March. The only fixing was made on March 10: BRB 6,100 and 6.61 for the DM and the RUR respectively. The reason was the same for the whole month. Every time the rate went above the limit articulated in the exchange regulations which is 5% for one go, the tenders were automatically

called off. However, it is not possible to sell and buy currencies through the sources other than the currency exchange.

Fortunately, the pressure which the National Bank, business communities and press had brought to bear on the government, finally, produced an effect. On March 16 the Council of Ministers repealed the enactment on hard earnings withdrawal. On the next day the currency exchange announced tenders. They showed a gigantic growth in the rouble-per-dollar exchange rate. The dollar which had traded for BRB 9,120 on March 3 increased twice as much to be 17,950 long-suffering "rabbits" by March 17. At the end of the month the exchange rate became stable making up 18,000-18,500 "rabbits" for 1 dollar.

This is the price the Belarusian government had to pay for inactivity and imbecility.

Checked out: no indication of reform



According to the leading experts 3-4 years ago Belarus had an economic environment for a speedy and smooth switchover to a market economy. **Galina DRAKOKHRUST** and **Igor PELIPAS**

tell the readers about success in developing our advantages.



How far is Belarus on the way to a market economy? There are different indications which enable us to answer this question. In our opinion, the assessments provided by private business people are of a special interest.

In late 1993 the ISEPS carried out an expert survey of Belarusian businesses. It was targeted at directors and leading specialists of private companies making a total of 144 respondents. A similar survey took place in 1992 (100 experts). Thus, we have an opportunity to observe the assessment changes occurred during the last year.

A 22-item questionnaire was split into two blocks: economic and legal. The first block of questions dwells on the changes in the economic sphere while the second one reflecting a legal support to the economic reforms.

Table 1 indicates that the overwhelming majority of entrepreneurs consider the headway made by Belarus in 1993 towards a market economy being a slight one. It would be respectable to mention here that explicit assessments (45% of the answers) prevailed.

The outcome of the survey provides the grounds to conclude that as per the entrepreneurs there is a discrepancy between a process of

economic changes and their legal support. The assessment angles found in the economic block considerably differ from those in the legal block. The results obtained as long as one year ago were almost identical.

It should be mentioned that most respondents believe the process of drafting virtually all the laws to regulate economic activities is in embryo though many appropriate enactments are already effective. This testifies to the insufficiency of our legislation. Perhaps, we don't know about some bills at all but most likely we are not simply aware of their existence.

So, the assessment of economic reforms in Belarus given by the entrepreneurs provide no grounds for feeling upbeat about the process. Moreover, last year there were almost no shifts in their points of view. There is but one: they have grown more explicit. Apparently, Belarus is really one of the most stable republics of the ex-USSR. And this stability is a stable lack of economic reforms and advancement on the way to a free market.

This report has been compiled within the framework of research projects which is being implemented by the ISEPS in conjunction with the CIPE, USA.

Table 1. Belarus advancement on the way to the market economy.

| The advancement is | Concurring degree | A total percentage of answers to the posed question | | | | | |
|--------------------|---------------------------------|---|------|-----------|------|------|------|
| | | on the whole | | including | | | |
| | | 1992 | 1993 | 1992 | 1993 | 1992 | 1993 |
| considerable | concur wholly | 2.2 | 2.6 | 3.6 | 4.5 | 1.4 | 0.8 |
| | concur to a considerable extent | 5.4 | 4.9 | 6.7 | 7.3 | 4.1 | 2.4 |
| | more likely to concur | 9.3 | 7.6 | 11.8 | 9.2 | 7.1 | 5.9 |
| | total | 16.9 | 15.1 | 21.3 | 21.0 | 12.6 | 9.1 |
| inconsiderable | concur wholly | 42.7 | 41.5 | 39.3 | 37.0 | 46.0 | 45.9 |
| | concur to a considerable extent | 25.3 | 28.3 | 23.1 | 26.8 | 27.6 | 29.9 |
| | more likely to concur | 15.1 | 15.1 | 16.3 | 15.2 | 13.8 | 15.1 |
| | total | 83.1 | 84.9 | 78.7 | 79.0 | 87.4 | 90.9 |

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Is it good to be privatized?

Such a high price is caused by a very costly artificial fibre which is produced in Novopolotak from petroleum and natural gas. As is known, the price of these products has recently spiralled upwards for Belarus. It looks as though everything were clear. However, there is one but: an excise tax (15% of the price) levied on the fur. Thus, the state gives the fur to stuff children's toys the same status as tobacco, spirits and other luxuries!

As far as the padding is concerned it can be either cotton wool or artificial fibre. Our native-made toys are heavy whereas foreign ones are light. In this country they stuff toys with cotton wool that costs BRB 500 per kilo while the foreign know-how involves hollow fibre (BRB 10,000 per kilo) which is not available on the domestic market. That places our toy manufacturers in a dilemma: either to make the teddy bear light in weight and, therefore, heavy in price or the other way round.

What about the electricity? Last November alone Belarus saw the price of electricity go up threefold. In a couple of weeks after the enterprises had raised the funds to repay the debts the word came that they were to deal in Russian roubles rather in "rabbits". In plain terms it meant that the bill increased four times. Without going into details I would like to mention just one number. The electricity costs account for 30% of the prime cost in this country with the world-average rate being less than 10%. It has nothing to do with the power losses but with the fact that Belarus enjoys almost world prices of electricity.

The manpower expenses run up to 40% of the teddy bear's cost price. Still it is a lot but state-of-the-art machines are only good for a cut-out. Then like in the West the seamstresses take over and operate sewing machines. They are in charge of stitching, stuffing and sewing toys up. Their work input is compensated in a modest way. Last year for every rouble spent on labour the enterprises deducted 28% to the State as a value added tax,

then another 68% from the residue to different budget and out-of-the-budget funds and, eventually, 15% as an income tax.

To sum up, we can say that the joy of a baby is nowadays a luxury. This is really pricey. It is twice as expensive because every teddy bear sold must thrill both the kid and the adult calculating the state treasury earnings.

Russian markets

History has made "AKTAMIR" the largest toy company in the former USSR and Europe alike. Russia has always been the main market for its products. But today the competition coming from Chinese companies is plain to see. In Belarus it is not so serious since our toys are on average 4 times cheaper than the Chinese-made ones. But Russia is deeply sucked into the whirlpool of "a toy war". And "AKTAMIR" contributes its efforts to the war while being out in the Russian battlefield.

The established Russian ties endow "AKTAMIR" with advantages and disadvantages which seem to be weird and illogical. For example, "AKTAMIR" is located in Belarus and a slump in the Belarusian economy is for the best benefit of the company in question. The bigger the difference between the rouble and the "rabbit", the more money "AKTAMIR" makes. Expenditures are, chiefly, paid in "rabbits" whilst the proceeds are disbursed in roubles. It is just as simple as that.

Private and state companies: are they different?

At one time the co-ops were strangled economically. But then the wrong-doers came to regret that. In the same way they can introduce a system of laws which is likely to make non-state companies unprofitable, ruin them and then allege that privatization did not work. Alas, such is a tendency now. In this respect, I would like to cite a few examples.

Soft credits have become "classic". Last March the chairman of the National Bank gave an unequivocal answer when asked whether it was possible to extend a soft



Generally speaking, this is not an article. Mr. **Leonid SHATON**, a board chairman, gives a story of his enterprise and seeks to show that nowadays privatization doesn't necessarily mean better living standards.

credit to the non-state companies. He said that the bank was committed to make interest rate discounts up to 50% for 5-10 years regardless of ownership. I decided to verify this information and reached a deputy chairman of the National Bank. My question was: "What papers should a toy production stock company submit in order to get a credit and launch a fresh technology project?" The answer was simple: "We do not credit non-state companies. Call a commercial bank..." In this case I must tell a reader who hasn't applied to the commercial bank yet that a six-month credit is the longest you can get. So what is the big idea of fostering production?

Another example is quite revealing. The decree on working capital re-evaluation was adopted late last year. Its essence is that raw materials kept at the warehouse can now be re-evaluated at the price of the last shipment. For example, a cubic meter of timber cost BRB 70,000 in summer and BRB 200,000 in autumn. But then the company used it and made a BRB 300,000-worth article. Prior to this decree, BRB 230,000 was liable to profit taxes but following the re-evaluation this amount dropped to BRB 100,000. Thus, having re-assessed the raw materials at the warehouse the company can reduce the taxes more than twice. However, it is not the case with every company. The decree envisions that the revalued may be done only by state-run, leased and people's companies. A stock company is not entitled to enjoy such a privilege. Now let us turn to a non-economic domain, i.e. the criminal code. For instance, if an employee of the state-run company receives a reward for a discount while selling some goods then it is regarded as a classic bribery example and he

can easily go to jail. At the same time an employee of the non-state company may take the risk of entangling himself with this as long as he wants. Even if he is caught red-handed while picking up the bribes it does not qualify as grafting since only a civil servant can be a bribe-taker. Dismissal is the biggest danger for a bribe-taking employee of the non-state company. That is why a non-state sector has a myriad of "risk lovers".

There is one more kind of thriving criminal activity. This is, as they say in Russian, so-called "throwing". In plain language, this slang coinage means cheating: after a prepayment has been made, no goods are actually shipped and a money-receiving company, usually private, vanishes without trace. "Throwing" a state-run company is fraught with dangerous consequences. The police, the office of public prosecutor or even the KGB if considerable amounts of money are involved may "go hunting the throwers". When a non-state company is "thrown" the police do not bother messing with this in the overwhelming majority of cases. And what happens if the "thrower" ends up being caught? The answer is just ludicrous: you will be offered to file a claim, then, wait for one month to get a response and, finally, lodge a lawsuit to the administrative court. Suppose the "thrower" comes back from the Canary Islands where he has squandered your money and appears in court. In this case he can be simply asked to give back the money and shut down his company. However, the law does not ban him from setting up another company. So is it really worthwhile privatizing companies in our environment?

"Excellent six" paves way for elections

By **Yury DRAKOKHRUST**

Continued from page 1

According to the opinion shared by the Front, Shushkevich has compromised his reputation by having met the pro-government parliamentary majority half-way. However, the former speaker still enjoys a high popularity rating of a democrat-politician. In this respect, "Vesna-94" (Spring-94), a Democratic Party block has expressed its willingness to vigorously advocate Shushkevich. The Front structures will be working actively for its nominee Zenon Poznyak. With Shushkevich involved he stands little chance of success. But behind Poznyak there is quite a large and structured organization which Shushkevich cannot boast of. Thus the latter cannot boast of the same support. While running nationwide elections such a powerful organization will definitely play a significant role. The mass media totally controlled by the government are not likely to be a great help to the opposition candidates.

Attempts to downsize democratic candidates fell

through while promoting the pair President Shushkevich - Premier Karpenko. One of the reasons is personal hostility between the two influential politicians. The mayor of Molodechno braved to tempt the providence in an individual political sea voyage. He has the edge over Shushkevich and Poznyak. This is an economic experience which can rally the support of the ruling elite and middle classes.

However, there is neither consent nor unity on the left political flank. In a certain sense, the Premier Kebich created competitors. At one time the populist Lukashenko was authorized to wrestle with corruption. He performed this social order and laid bare the main corrupting force of the country - Stanislav Shushkevich. But in the course of his sensational anti-corruption investigation Alexander Lukashenko won the sympathy of the people and became one of the most popular politicians of Belarus. He enlisted the backing or the pro-communist people's movement of Belarus. However, the People's Move-

ment has been split of late. The Pan-Slavist "Belaya Rus" Slavic Cathedral and some other organizations affiliated with the People's Movement have voiced their readiness to uphold popular but hard-to-control Lukashenko at the forthcoming presidential elections. For its part, the Communist Party has put in unknown Vasily Novikov, a secretary of the Central Committee, for the presidency at the Central Committee plenary session. Apparently, the Belarusian orthodox successors of Lenin realize that their candidate has little chance. At the same time they prefer purity of principles to power. In this respect, the communists slightly resemble the Belarusian Popular Front.

The Parliament speaker Mechaslav Gryb can be another stern rival at the elections. Perhaps, now the head of Government feels sorry for Shushkevich. Unlike the latter, Mechaslav Gryb is well-versed in the power nitty-gritty. In harmony with the parliamentary majority he has already begun creating effective structures that can curb absolute power of the Council of Ministers. The speaker Gryb has never been

rated as an eminent politician until his latest election. However, even a little authority can blow anybody up to an enormous shape.

The status of the Belarusian-Russian currency union will definitely have a dramatic impact on the election's outcome. If this union comes into existence then Vyacheslav Kebich will be hors concours. In case the project flops the Premier is likely to have the same chances as his counterparts from the "excellent six". In this situation the establishment may suffer a division and, therefore, end up sharing its backing between Kebich, intrepid Lukashenko and composed Gryb. Such developments will essentially enhance the likelihood of the democrats' successful go. The nomenklature elite is only strong when it is monolithic.

To sum up, both the right and the left will be split in the pre-election campaign. It must be mentioned that some candidates will be taking the electorate away from each other. So, most likely, a second voting round is inevitable.

A pack of cards has been cut. The presidential solitaire game has started.

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Legal chronicle



Alexander PLASKOVITSKY is here as usual to make his comments. Today his article covers the standard-setting acts passed in February.

On February 2 the law on State Tax Inspection of RB was adopted. It went into effect on February 22.

It is interesting that alongside with the state rights the tax inspection is committed to stand up for the tax-payers' rights. The employees of the tax investigation department have been granted the status of Interior Ministry and KGB officials including the whole range of latitude possessed by the two state bodies.

The State Tax Inspection is entitled:

- to check book-keeping or any other financial papers;
- to obtain certificates or any other information from the tax-payers;
- to inspect office or any other premises of companies or private citizens;
- to carry out personal examination of the infringers and their property;
- to confiscate documents, things or any other valuables which are the subject of transgression or a body of evidence;
- to seal off premises;
- to arrest and confiscate the property;
- to suspend bank account and deposit operations;
- to collect arrears of taxes or any other payments and financial sanctions for companies - indisputably, for private citizens - through the court;
- to demand that a license be revoked;
- to suspend defaulters' foreign travels;
- to lodge lawsuits on economic insolvency, bankruptcy, liquidation of the company, suspension of entrepreneur activities, declaration of registration and transactions invalid, recovering illegally acquired property, etc.;
- and something else.

The law of February 3 has basically repealed the law on temporary measures required to protect a consumer's market. But still a far-and-near foreign division of the market made on the basis of the given law is in force.

Under the law of February 4 the authorized funds of the banks cannot be increased at the expense of involved and borrowed resources but the bank capital.

The law of the same day grants exemption from import taxes to the organizations (a list enclosed) which have received technical and humanitarian aid.

The parliamentary enactment of February 4 suspends the alterations in the law on fuel taxes. A regular taxation subject within the framework of VAT is still the same for 1994. This is an added value (not the revenues) which is liable to taxes if a foreign company imports commodities including those shipped or mentioned in the contracts before

1994. The law of February 24 has introduced changes to a fuel tax. Now there are two rates for the same tax: 10% - petrol and diesel oil and 20% - natural gas. The tax inside the system of the Petrochemical Committee as well as for the agricultural producers has been abolished.

On February 24 the law on local government was brought to conformity with the law on budget system.

Under the law of February 24 the payments and donations made to public organizations are exempted from income taxes.

The enactment of February 25 has approved a limit of foreign debts - \$2 mln. It also sets out the procedure for using the debts and serving foreign credits.

CoME No. 50 of February 1 envisages the creation of a single state legal information system. Directions have been announced to rule out the dissemination of unpublished bills. The Government has endowed itself with the right to procure free information from institutions and organizations despite the fact that they have expended a lot of money and energy on this. However, it is not deemed a confiscation.

CoME No. 53 of February 1 has passed the regulations on investment funds which accumulate "Property" cheques.

The State Property Committee is to license such activities. To qualify for this, funds must be open stock companies. Their common stocks should be on sale for money and cheques. However, such stock companies are forbidden preferred shares and bonds. The cheques must account for at least 30% of the authorized fund for 4 months per annum. At the same time, the real-estate property must be under 25% of the authorized fund at the initial moment. The charter of the fund should be a standard one which defines investment directions and restrictions as well as limits of securities investment. Regardless of the regulations the words like "a specialized investment fund which accumulates registered 'Property' privatization cheques" are disallowed to use. The fund can launch its activities only after it has been registered and obtained two licenses (State Property and Securities State Inspection). One fund can be a member of another fund.

The funds are banned from guaranteeing income in advertisement, investing more than 5% in the same emittent (except for the authorities) and acquiring more than 10% of the securities from the same emittent. It is also not allowed for the funds to invest their participants with a share not less than 5%, sell unobtained securities, give guarantees, have over 10% of the Belarusian cheques and implement unusual activities. The fund shall report to the Securities State Inspection once a

quarter and to the State Property once a year.

CoME No. 55 of February 3 has pushed up a tax on agricultural land and the land handed over to private citizens ten-fold and in the other cases - by 28.7 times.

Under CoME No. 56 of February 4 the Government has forcedly bought out the Russian cash from the economic entities in order to repay natural gas debts.

CoME No. 60 of February 4 provides some possible ways for bridging the budget gaps. This can be done through the state centralization of company assets. The enactment permits ministries, their departments and local management bodies to set up centralized investment funds at the expense of depreciation resources (15%) and the cost-price (1%). They also can sponsor funds of scientific research and other activities through 1% deductions from the earnings of state organizations. The regulations on centralized investment funds were approved by the State Economy Planning Committee and the Finance Ministry on February 24.

CoME No. 64 of February 8 repeals a decree of 1921 on the deportation of foreigners from Belarus.

CoME No. 65 of February 8 curtails issuing terms of the cheques. The price of a voucher is to be offered before March 1. Cheques to be given out starting April 1.

CoME No. 77 of February 15 has approved a draft sample of the "Property" cheque.

CoME No. 78 of February establishes a procedure which makes it easier for children to travel abroad and improve their health condition.

CoME No. 92 of February 22 has introduced the regulations on a state register of tax-payers. The register includes companies and private entrepreneurs. Towards this end, within a ten-day period after the registration (although the law stipulates 15 days after the registration certificate has been received) an application confirming the assigned registration number and a supplement with the papers required by the main tax inspection must be submitted at the location of companies and private entrepreneurs.

On January 12 the State Labour Committee adopted regulations on foreign employment procedure. A license for such activities is issued by the State Migration Service.

Licenses are issued by companies and private entrepreneurs.

To obtain a license the following papers are necessary: a request, copies of founding papers, copies of the registration certificate (for entrepreneurs a certificate to confirm that the papers have been submitted for registration), a final report of the regional migration service, draft copies of contracts concluded with foreign employers, a sample of contracts with employees, a proof of license fees or any other documents if

needed.

A decision can be taken within 45 days whereas licenses are issued within 5 days. A license is valid for 5 years on condition that all the contracts are agreed and registered. The license fees are as follows: for a company - 2 minimum wages and 1 minimum wage for the prolongation, for private entrepreneurs - 25% and 10% respectively.

Those who have obtained the licenses are obliged:

- to register residents free of charge;
- to get residents familiarized with the laws on their activities and working conditions abroad;
- to sign and deliver employment contracts before leaving for abroad;
- to keep copies of contracts;
- to compile monthly reports on concluded contracts.

It is forbidden to charge prepayment before an employment contract is signed. It is also disallowed to sell the addresses of employers without their consent to take on a customer and without the explanation of working conditions. Such addresses cannot be sold either if they are not published for foreigners.

It is possible to file a complaint against any action of the migration service and go to the court.

On January 13 the Municipal Housing Ministry passed order No. 2 and approved the papers needed to purchase a dwelling place in keeping with the temporary regulations which had been adopted by the Government on August 31, 1993. A standard package includes an application requesting that your name as a buyer be put on a flat waiting list, an evaluation statement and a purchase and sale contract. The regulations on holding auctions which can be the only possible way for foreigners to buy a dwelling place must also be attached.

An auction deposit constitutes 10% whereas the participants are to pay 25% of the minimum wage as a registration fee.

A representative of the legal person taking part in the auction must have a passport, a power of attorney, a certificate on the solvency of his company issued by the bank and copies of founding papers. The natural person should hold a passport and an employment certificate.

The bids are made at 5-15% interval. As a rule, a report is filed and a purchase and sale contract is concluded upon completion of the auction. This contract is to be registered at a local Soviet. Should private persons participate in the auction it also must be certified by a notary public. New owners are given a technical registration certificate and a house register.

On January 17 the CoM registered the regulations on a sale procedure of incomplete construction projects financed by the state.

The regulations apply to the projects with the completion terms exceeding the standard ones by 2 years at a maximum. The same holds good for the projects which had neither funds nor construction work for less than 3 months. An auction or competition can be used to sell the projects in question.

On January 27 the State Property Committee passed the regulations on the circulation of registered privatization cheques. In addition to the law it has introduced the following provisions: the circulation of company cheques is implemented through special bank accounts and foreigners must pay commission fees to open such accounts. For legal persons to open the account it takes an application, a notary certified document on the company foundation, a notary certified copy of the charter and 2 cards with signature samples. Funds must also submit a license.

Under these regulations a cheque certificate from the bank should be attached to the papers submitted for participation in an auction.

On January 27 the High

Economic Court decided that the following disputes would pertain to its office:

- the disputes occurred while concluding, altering or terminating contracts worth BBR 1 bln and over by the entities from different domains;

- the disputes occurred amongst such entities during the execution of contracts or due to some other reasons with the claim amount of BBR 10 mln and over.

On January 28 the State Property Committee approved the regulations on the privatization of facilities decided by the CoM. They provide the following peculiarities: representatives of the State Economy Planning Committee should be on a privatization commission and a Government resolution is drafted instead of taking a decision.

On January 28 the State Labour Committee adopted the regulations on employment contracts.

On February 21 the State Labour Committee established procedure for re-evaluation of the basic funds as of January 1, 1994. The procedure had been agreed with the State Economy Planning Committee, Finance Ministry and State Property Committee.

As opposed to July 1, 1992 the price of machinery, equipment and transport had gone up by 26 times, buildings - by 32 times, cattle - by 44 times and other basic funds - by 29 times. In comparison with the first six months of 1993 the price had increased by 7, 9, 7 and 8 times respectively. It is not obligatory on non-state companies to make such a revaluation.

Minsk City Executive Committee approved by its resolution No. 78 of February 10 a list of plots of land which are not to go private within the city limits. The Committee also established a procedure for land privatization in Minsk.



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| | Day of the week | Departure | Arrival | Flight No. |
|------------------|-----------------|-----------|---------|------------|
| Minsk-Vienna | 2,4,7 | 8.10 | 9.10 | B2 899 |
| Vienna-Minsk | 2,4,7 | 10.15 | 13.15 | B2 900 |
| Minsk-Zurich | 3,7 | 10.30 | 12.15 | B2 869 |
| Zurich-Minsk | 3,7 | 13.15 | 17.00 | B2 870 |
| Minsk-Berlin | 1,3,5 | 10.00 | 10.50 | B2 891 |
| Berlin-Minsk | 1,3,5 | 11.50 | 14.35 | B2 892 |
| Minsk-Frankfurt | 1,3 | 12.10 | 14.00 | B2 893 |
| Minsk-Frankfurt | 5 | 11.45 | 13.35 | B2 89 |
| Frankfurt-Minsk | 1,3 | 14.55 | 18.40 | B2 894 |
| Frankfurt-Minsk | 5 | 14.35 | 18.20 | B2 894 |
| Minsk-Warsaw | 2,6 | 12.30 | 12.50 | B2 895 |
| Minsk-Warsaw | 3 | 11.00 | 11.20 | B2 895 |
| Warsaw-Minsk | 2,6 | 13.50 | 16.10 | B2 896 |
| Warsaw-Minsk | 3 | 12.20 | 14.40 | B2 896 |
| Minsk-Shannon | 1,5 | 07.05 | 09.00 | B2 897 |
| Shannon-New-York | 1,5 | 14.00 | 16.00 | E1105 |
| New-York-Shannon | 6,4 | 18.45 | 8.45 | E1104 |
| Shannon-Minsk | 1,5 | 10.30 | 16.00 | B2 898 |
| Minsk-Tel-Aviv | 4,7 | 10.00 | 13.50 | B2 1447 |
| Tel-Aviv-Minsk | 4,7 | 15.00 | 19.00 | B2 1448 |

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Economic activities by foreign companies in Belarus

The report has been compiled by the State Committee for Foreign Economic Relations* of the Republic of Belarus

Foreign companies may guarantee their permanent presence on the Belarusian market in the following ways:

- establishing long-term relations with Belarusian companies on the basis of cooperation contracts without investing capital;
- opening in the Republic of Belarus accounts in the national currency and in freely convertible currencies;
- opening their representative offices in Belarus;
- setting up a company together with a Belarusian company and investing capital;
- setting up a company fully owned by the foreign investor.

Contract-based cooperation

A foreign company can conclude a contract with a Belarusian company or entrepreneur to execute marketing services for products. A similar pattern can be followed if there is a need for regular product purchases on the Belarusian market.

Relations between the partners are fixed in the form of a relevant contract on agency, commission sales, etc. Any such contracts contain terms common to the international trade practices. After the contract is concluded it needs no approval of any body of state power.

Opening rouble accounts in Belarus

As in most other countries, foreign companies may open their accounts in Belarus. Generally, the rules of keeping the accounts are similar to those applied by any other world banks. The discount rate is not high. Therefore, let us look at a specific form of a permanent presence on the Belarusian market like an N-type rouble account.

Non-resident legal entities, i.e. foreign companies, may open their rouble payment accounts and deposit accounts, or so-called "N-type accounts," with their range of application subject to some limitations.

The N-type accounts pass the amounts in roubles received:

- from resident legal entities (Belarusian companies) in favour of the foreign companies conducting their economic activities on the Republic's territory;
- from resident legal entities, in case it is provided in contracts, for sales of commodities imported by the non-residents or acquired as a result of economic activities on the Republic's territory;
- as consular duties and other payments from resident legal entities.

The financial resources kept on the N accounts may be used, on orders from their owners, for:

- paying current costs directly related to the economic activities conducted;
- paying current costs related to activities of diplomatic, trade and other representatives;
- buying products intended for export on the territory of the rouble-circulation zone;
- investing the Republic's economy.

It is possible to have rouble resources on a foreign company's account and to use them in the same way as the domestic companies do. Among other things, it is possible to buy products on the Belarusian market for purposes of export or to invest the rouble resources into a newly formed company.

Opening and operating procedure of a foreign company's representative office

A foreign company interested in opening its representative

office in the Republic of Belarus must submit to the State Committee for Foreign Economic Relations a written application mentioning the purpose of setting up the representative office, the company's full name, date of incorporation, main office address, and date and place of charter registration. The application should contain also a description of the company's business and information on its managerial bodies and persons entrusted with running its affairs on its behalf in Belarus. Detailed information is required on the company's business in Belarus and in the CIS countries, on its contracts or commercial transactions stating the contract/transaction object, amount and period, as well as on the cooperation development prospects.

Attached to the application must be official documents (the company's charter and trade register extract) in copies, duly witnessed by the consular institutions of the Republic of Belarus abroad or, if they are absent, of the Russian Federation, and translated into the Belarusian or Russian languages.

The application and the documents attached must be submitted in the applicant's language and in Belarusian or Russian.

A USD 2,000 fee is charged for permission to open a representative office.

As a rule, a company representative office is opened for the maximum period of three years. Representative office activities may be prolonged if a relevant application is filed to the State Committee for Foreign Economic Relations (at least one month before the permission expires).

It should be kept in mind that the representative office of a foreign company is not considered a legal entity and, if necessary, concludes contracts in the name and on behalf of the company it represents.

Joint ventures in Belarus

The basis for foreign capital functioning in the Republic of Belarus is represented by the Law "On Foreign Investments on the Territory of the Republic of Belarus". The Law was adopted in November 1991.

The Law contains some guarantees and privileges for foreign investors:

- guarantees against requisitioning, confiscation and other violent acts;
- freedom to repatriate dividends in freely convertible currencies;
- unlicenseable exports of their products, if the actual share of a foreign investor in the authorized capital exceeds 30 per cent;
- freedom of setting prices, product sale terms and choosing buyers and suppliers;
- profit tax privileges (the tax is not applied for the first three years and for the next three years 50 per cent thereof is payable);
- a five-year guarantee of using the legal provisions in existence at the time of the JV registration, in case the laws change to the JV's detriment;
- a possibility of setting up companies with 100 per cent foreign capital.

A joint venture can be formed either by founding it, or as a result of a foreign investor buying a share of a company earlier founded with no foreign investments, or by buying any such company completely.

Joint ventures are incorporated in the form of stock companies, limited liability companies and other economic

entities, as well as in any such forms, which do not contradict the standard-setting acts of the Republic of Belarus.

In current practice, an overwhelming majority of the JVs are incorporated in the form of limited liability companies. A limited number of the JVs have been incorporated as closed-type joint-stock companies. No open-type JVs have been founded so far, since under the foreign investment law, the legislature wants to have information on every foreign investor active on its territory. Therefore, anonymity characteristic of open stock companies is unacceptable, since under current legislation any sale of stock must be coordinated with the other stockholders and thereupon the relevant body of state power must be informed.

All the JVs have been incorporated by way of founding a new company. There have been no cases yet of a foreign investor buying some stock of a company already in existence. This is probably because privatization in Belarus is just beginning.

The minimum contribution of a foreign investor to the authorized capitals must amount to at least USD 20,000. This provision is written in Article 4, Law "On Investment Activities in the Republic of Belarus".

The laws in effect subdivide all JVs into two groups:

- those with a foreign investor's share of the authorized capital over 30 per cent; and
- those with a foreign investor's share of the authorized capital of 30 and under 30 per cent.

The first group of joint ventures is covered by all the rights and advantages stated above. The second group joint ventures do not enjoy some advantages, e.g. they are not liable to unlicenseable product exports and are committed to contribute to the State Currency Fund, etc. In other words, if the share of foreign capital in the JV is low, the latter has an operation climate similar to that of domestic companies.

The legal environment for foreign investments on the territory of the Republic of Belarus cannot be less favourable, than the relevant environment created for the property and property rights and investment activities of the Belarusian legal entities and individuals.

No matter how small, foreign investments in the Republic of Belarus are not subject to requisitioning or any measures similar in consequence, except in the cases of natural catastrophes, accidents, epidemics and other extreme circumstances. After a force-majeure situation is over, an investor is entitled to a rapid, adequate and effective compensation.

If the company is liquidated, a foreign investor is entitled to reimbursement of his share of the company's property in money or in kind at the liquidation date book value.

The State Committee for Foreign Economic Relations is entrusted with registration of JVs, provided there is an agreement obtained from the local Soviet of People's Deputies and the following documents are submitted:

- a written application of the founders to register the company;
- two copies of the constituent documents witnessed by Notary Public;
- copy of a decision by the property owner on setting up the company or copy of a decision by its delegated body witnessed by Notary Public, and copies witnessed by Notary Public of the constituent documents for every Belarusian entity or individual

participating in the formation of the joint venture;

- extract from the trade register of the country of origin or any other equivalent proof of the foreign investor's legal status in conformity with the laws of his country of business or permanent residence (with a testified translation thereof into the Belarusian language);
- foreign individuals shall submit a passport copy and a document serving as a proof of the foreign investor's place of residence (with a testified translation thereof into the Belarusian language).

The required certification of the translation implies the translation must be made by a professional translator working, for instance, for the RB Chamber of Trade and Commerce.

In compliance with the Law "On Enterprises in the Republic of Belarus", a foreign-invested company may engage in all kinds of economic activities, unless they are prohibited under the standard-setting acts in effect in the Republic of Belarus, serving the objectives specified in the company's charter.

The company may engage in some restricted businesses, their list subject to approval by the Council of Ministers, on the basis of a special permit/license.

Companies fully owned by foreign investors

Companies fully owned by foreign investors are referred to in Belarus as "foreign companies" or "FCs". They share the same legal and economic status with the joint ventures that have a foreign investor's share in the authorized capitals in excess of 30 per cent.

The laws in effect grant the right to found companies belonging to one foreign investor or more. The FC minimum authorized capital must be at least USD 20,000. If an FC is incorporated by several foreign legal entities or physical persons, they are to submit a contract. It is possible to found a company by just one investor in the form of a limited liability company or closed joint-stock company. These one-man companies, or Einmann-gesellschaft in German, are used to set up subsidiaries in Belarus.

The FC registration process is identical to that of JVs.

There are some peculiarities of forming an FC's authorized capital, which are fixed by the Enactment of the Council of Ministers No.97 from February 24, 1992 entitled: "On Peculiarities of Founding Foreign Companies on the Territory of the Republic of Belarus".

Before an FC is registered, 25 per cent of the authorized capital declared in its incorporation acts is to be transferred to its account. After the FC is registered, it may exercise full control of these funds. By the end of its first year of existence, the FC's authorized capital must be formed at least by 50 per cent and by the end of the second year - by 100 per cent. Changing the dates of contributions to the authorized capital is only possible only by agreement with the Council of Ministers.

Foreign companies have one significant advantage: if an FC opens its branch/subsidiary on the Belarusian territory, the latter enjoys all of the advantages provided for foreign-invested companies. Joint ventures do not have this opportunity since their subsidiaries enjoy the standard domestic climate.

Faces and images



By Roman YAKOVLEVSKY

In March the Commonwealth of Independent States became an international law entity and, therefore, was granted the status of UN observer. After the collapse of the Soviet Union in December 1991 a commonwealth of independent states was proclaimed. According to the decision made by the heads of Commonwealth states Ivan Korotchenya, a deputy of the Belarusian Parliament, was appointed a co-ordinator and then an executive secretary of the Commonwealth working bodies.

Ivan Korotchenya was born under the constellation sign of Leo on August 13, 1948 to a peasant family with many kids. He left secondary school and attained secondary education. After the military service Ivan Korotchenya graduated from a higher education institution and was given the qualification of an agronomist. At the age of 24 he was made a director of the collective farm. Korotchenya occupied leading positions in the agro-industrial complex for about 10 years. At that point he graduated from a party school. The Korotchenya continued his career in the town of Vileika where he worked as a party leader. Under Gorbachev it was expedient to double the parts of a party boss and a leader of the local authorities. So while being a young party leader in the region Ivan Korotchenya was a full-fledged master in his own house. The next step in his professional ladder was a deputy of the Supreme Soviet of Belarus. Korotchenya's lucky star shone brightly for him in the parliamentary career too. He headed the Commission on publicity, mass media and human rights. That gave Korotchenya a chance to become a member of the Presidium of the Supreme Soviet.

Following the August coup-d'etat the Supreme Soviet had to deal with the Communist Party property. Deputy Korotchenya delivered a speech which caught the public eye. He requested that at least 10% of the property in question stay with the party. Some communist-deputies perceived Korotchenya as their leader. They tried hard to hold on to him. As a last resort, he was elected co-chairman of the new Communist Party. But Korotchenya was a coordinator of the CIS then in spring 1992 and it was considered absurd to take on such a combination of positions. Finally, the communists left Korotchenya in peace after they had accused him of not paying party dues.

Some analysts were apt to conjecture that Ivan Korotchenya had been "decommunized" by the then speaker

Stanislav Shushkevich. Consequently, this policy deprived the parliamentary communists of a potential leader. Korotchenya's organizing skills had repeatedly been marked by the leaders of the Independent States as well.

One of the secrets of a leader career as per Ivan Korotchenya is an ability to learn from your elders and be lucky enough to have a brainy patron. He admires political books. As far as politicians are concerned, Ivan Korotchenya is attracted by strong personalities. Like many Soviet people he has experienced kindly feelings for nearly all leaders of the defunct Soviet Union. Now Korotchenya cherishes his liking for the leaders of Russia, Kazakhstan and Uzbekistan. As an executive secretary of the Commonwealth he attended the inauguration ceremony of Bill Clinton. Korotchenya is really impressed by openness and competence of the American president. He also likes Ronald Reagan who can, as Korotchenya puts it, communicate with people.

According to some facts, Korotchenya has developed equivocal relations with the Belarusian Premier. Partly, this is the case because he is on intimate terms with the ex-speaker Shushkevich. Many analysts account this for Korotchenya's yearning for the status of independent international official.

Ivan Korotchenya has two children. His wife is an economist by specialization. The daughter works at the "PROMSTROBANK" whereas the son is studying at the Belarusian lyceum. The head of the family has no favourite colour as he is colour-blind. However, he renders preference to blue and indigo. His hobby is hunting. As far as hard drinks go, Korotchenya prefers whisky at official receptions.

Referring the forthcoming presidential elections in June some communities consider a possibility of putting Korotchenya forward as a candidate. It is not ruled out that he may rob the other candidate - Premier Kebich - of some electorate. Objectively, such a development will play into the hands of the Premier's rival - ex-speaker Stanislav Shushkevich. Korotchenya's close associates are known for their executive discipline. True, in the future certain executors who have come from the notorious bodies may play a malicious trick on the image of their boss who has already entered the international scene.

* The State Committee for Foreign Economic Relations was renamed for the Ministry of Foreign Economic Relations after the report had been filed.

Three stars of paradise - 2

Minsk air

By Evgeny SHIROKOV

By Galina HARTON

Continued from
the March issue

The AGAT hotel

If you desire to lead a quiet and regular life you may pick the AGAT hotel. I would definitely choose it if I were well-heeled. The architecture of the hotel resembles a pyramid or a wing of the plane which is dug into the ground. On the top 9th floor there but 2 rooms and on the whole the hotel has about 100 beds. On the ground floor you find yourself in a light hall with a reception service, a small sauna, a massage parlour (tel. 65-63-11), a wonderful hairdresser's and barber's (at the hairdresser's you entrust your hair to a man who would not let his client look unattractive). There is also an exchange bureau and a small jewelry store.

A 3-room suite has a bedroom, a sitting room and an office as well as a spacious lounge. The residents have a telephone, a fridge, a TV set and a tea china service at their disposal. The suite has fairly good conveniences - 2 lavatories, a bedroom and an absolutely stunning bidet. A double has 2 rooms lined with carpets, one lavatory but with a bidet. A single is the room to get secluded from the world. So you can file in the only room and feel comfy, look out of the window, enjoy a wonderful pine forest and lapse into blissful idleness of the park.

There are no prostitutes at the hotel due to the occupancy rate. A restaurant leans to the hotel and serves everybody who feels like having a good

time. The restaurant is designated for 150 seats. It always looks almost empty. Should the cuisine pall, you are in deep trouble. There is neither restaurant nor cafe in the vicinity of the hotel. But at the same time you may have an astonishing view at a water reservoir and a park zone or take a stroll in the woods (to play it safe, you'd better leave your documents and wallet in the safe back in the hotel. You won't be killed but may be mugged). It is also thrilling to watch the waterfalls and even try and walk under the falling water. One wall of the tunnel is made of concrete whereas the other is just water. It is especially quiet here in the winter-time. There is no traffic noise around. The subway VOSTOK station is within easy reach - just a couple of stops to go. The place doesn't have a guarded parking lot but it is here that they have twice hi-jacked the car of gymnast Vitaly Scherbo. You can book a room at tel. 63-52-05 and make inquiries by dialing 63-11-08.

The ORBITA hotel

ORBITA is the newest hotel which serves foreigners. It is 2 years old and no other hotels is under construction now. The ORBITA hotel has a modern design and a wonderful interior. When a subway line nearby is commissioned everybody will surely evaluate this marvellous place. It is the first hotel on the way from the Baltic states and that is why it has a host of guests from there. You can book a room free via fax (52-32-08). In case you

become a permanent client or stay for 3-4 weeks you may pin hopes on a 30% discount. It is possible to place a call at the CIS and abroad alike. A BELCEL desk at the door will allow you to immediately reach any place on the planet. 3 floors of a 14-storey building are occupied by offices. This gives a basis for good contacts. There are more than 300 beds available in the hotel. Each room has a fridge, a TV set, a telephone, a bathroom and a bidet.

If you want to be picked up at the railway station or the airport it can be possible at the ORBITA hotel.

The hotel staff does its utmost to make the guests feel comfortable and enjoy their leisure time. For hotel services are always up to the mark. You may easily order any transport, escort or translation. The guests are welcomed and bid a farewell at any time. Unfortunately, the hotel does not have a conference hall. You can cover your hotel bill while checking out. 4 bars are open round-the-clock. The bingo bar is open until 3 a.m. Floor ladies on duty can make coffee if asked.

It is not accidental that a suite is referred to as "an apartment" here. It has 3 rooms, a luggage room, a hall, 2 bathrooms and a TV set. The rate is \$120 a day. The TV has a text page and a business-plan as well as satellite programmes.

A 2-room semi-suite costs \$63 a day and a simple double is rated at \$32.

AVRORA, a three-hall movie-theatre, is sitting next to the hotel. Pritytsky square is a large transport place with a myriad of stores around.

The MINSK hotel

It is the only hotel which is located close to the downtown. One side of the MINSK hotel faces the House of Government while the other overlooking the grand post office.

An immense six-storeyed building bears the traits of typical "Stalin" architecture though it was erected six years after Stalin's death in 1959. However, in this particular case, the word "Stalin" does not possess any ideological colouring but determines a special comfort degree of the hotel. The first old building accommodated, for the most part, party bosses and state officials or, in other words, the nomenklatura.

10 years later a new glass-and-concrete building was annexed to the old one. It did not enjoy much comfort and, therefore, was designated for more common people like factory directors and trade union leaders.

Today against the backdrop of hastily built hotels the MINSK hotel attracts everybody with its thoroughness and good quality. The hotel has 745 beds including 11 3-room suites and 24 2-room semi-suites. All the rooms have carpets, wonderful Austrian plumbing and modern furniture in imitation of ebony. The colour TV sets show two additional channels - satellite and hotel cable - apart from the usual television programmes. The rates are as follows: \$30-35 for a single/double, \$50 for a semi-suite and \$80 for a suite. You can book a room at any time (tel. 20-07-03).

Once the hotel cuisine was considered to be the best in this country. It lured hearty eaters and the people intentionally

came here from far and near to have lunch. To date it is just the place frequented by those who desire to lose weight and are currently on a slim fast diet. The prominent MINSK hotel restaurant in the old building has been closed for refitting for five consecutive years. It is not worthwhile talking about a restaurant which is situated on the sixth floor of the new building. However, it must be said that there is a snack counter and a bar as you enter on each floor. So one can have a sufficient snack.

Alongside with that the MINSK hotel has some merits which make up for the drawbacks mentioned above. Firstly, there is a small but well-protected parking lot in the backyard. Secondly, as the old Soviet custom ordains, a special administrator accommodates here foreigners. He knows foreign languages as well as hotel regulations for foreign guests (service bureau - 20-01-32). Thirdly, the hotel has the "MAP" business-center (tel. 20-03-50) where one can use telex, facsimile or E-mail facilities. And, finally, the hotel accepts American Express credit cards.


Oddly enough, but at the MINSK hotel the Minsk Economic News sells worse than anywhere in town. The reason is quite simple. The deputies of the Supreme Soviet constitute the bulk of the hotel guests. In a nutshell, these are the people who could not tell for sure which language was their mother tongue until it was decided on Belarusian to become an official state language. So there is no way for foreign languages!

When the ecologically dirty economy of Belarus was working at full swing, Minsk was listed among the USSR's 25 most unfavourable cities in terms of gas and dust effluents. There were 70 kg of gas and dust effluents per capita (for comparison, just 40 kg in Moscow), while in the industrial areas, e.g. - Truck Plant, Tractor Plant, Ball-Bearing Plant, Radiator Plant and Kirov Plant - up to 250 kg per capita per year. The effluents included over 50 highly toxic agents supplied both by defence factories (Integral Plant and Printed Circuit Board Plant) and by quite peaceful production units, mainly by their foundries, which are featured by effluents of phenol, formaldehyde, nitric, sulfuric, chromic, mercuric et al oxides, etc.

It was a common situation, when the maximum tolerable concentration levels were exceeded by 10 to 20 times, whereas under particularly unfavourable weather conditions they did by 50 to 70 times, and it was only then when any measures were taken, oh no, not the ones directed at making the effluents safer, but rather at reducing somewhat the production intensity.

It is a horrible thing to write, but the prestigious parts of Minsk quite often are also the dirtiest, for instance, Pulikhov Street and Tankovaya Street areas.

Nowadays the situation has changed drastically: the Tractor, Truck, Kirov and some other plants have been stopped. The chief sources of pollution now are transport and power industries.


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19, Masherov Ave., Minsk. Phone: 235878, fax: 269804, telex: 252472 BING SU

DM 300,000 WORTH OF INOCULATIVE MEDICINES

has been given to Belarus by the German government. Godfrid Albrecht, German Ambassador to the RB, has already brought to Gomel 96,000 doses to vaccinate the residents against diphtheria, tetanus, whooping cough and other vaccine-preventable diseases.

from the effects of the Chernobyl catastrophe.

50% OF TRADE AND SERVICE FACILITIES

are to be withdrawn from state property this year. 1994 will also see an active privatization effort of incomplete construction projects as well as a conversion of the 50 largest state-run enterprises into joint-stock companies.

A MILITARY TELEVISION AND RADIO STUDIO

is to be set up at the National television and radio company in line with a joint decree passed by The Defence Ministry Board and The Ministry of Information. At present the would-be studio is being staffed on a competitive base.

INTERNATIONAL DIAMOND STAR AND EUROPEAN GOLDEN STAR

have gone to the Natural Gas Appliances Amalgamation of Brest as a reward for high technological production levels and excellent quality. This is the third company in town following the household chemicals factory and the liquor distillery which got the same decoration.

AGRICULTURAL PROFITABILITY OF THE VITEBSK REGION

dropped by 27% last year and is now barely 14%. A decline in labour and technological discipline as well as embezzlement of available funds and a lack of price parity have eventually led to the situation in which of 512 farmsteads in the region only one managed to purchase a grain harvester combine.

POLISH CONSULATES

are to be opened in Brest and Grodno. At present the city authorities are looking for office spaces which will house the consulates.

THE FOREIGN MINISTRY OF THE RB

has filed a request to the Council of Ministers in which it suggests that 5 more diplomatic missions be opened in Japan, Turkey, Prague, Budapest and Bratislava this year. However, these plans must be taken into consideration alongside with the country's interests and financial potentials.

THE DEFENSE MINISTRY BOARD OF BELARUS

has considered the development of weaponry and military hardware up to the year 2,000 as well as a state armament program.



Minsk Animation Pictures Studio at the Stanford Center has shot the first ever full-length three-dimensional animated cartoon film "The Human Son". This is a story about the last week of Jesus Christ's life on earth. The film presentation will take place in mid-May.

A LIST OF MUNICIPAL FACILITIES

to go private this year has been approved by Minsk City Council of People's Deputies. In particular, this list includes the "RIGA" supermarket, the GUM Central Department store, the "BELARUS" department store, the "NESTERKA" store, the restaurants "MINSK", "BELARUS", "SVITYAZ", the Minsk furniture factory named after Dimitrov and the "MINSKDREV" wood processing production amalgamation.

THE INTERNATIONAL MANAGEMENT INSTITUTE OF BELARUS

has introduced a new Belarusian-American teaching programme. One of the advantages of this current programme which is called an MBA is that upon graduation the students have an opportunity of taking a 4- or 8-week training course at Delaware University.

BELARUSIAN-POLISH SCIENTIFIC WORKSHOP

took place in Minsk. The participants discussed possible ways of easing an economic crisis. Leszek Balcerowicz a well-known Polish economist, believes that Belarus has developed a situation which blocks any reforms as much as possible.

ITALIAN OLIVE OIL

has hit Belarusian foodstores. The Italian Embassy in Belarus has agreed to ship 460 tons of olive oil to this country where it will be put on sale.

The proceeds generated from the olive oil will be accrued to the joint account of the Belarusian-Italian partnership fund. This fund will render a financial assistance to social projects which Belarus can profit from.

OVERHAUL HOUSING RECONDITIONING

is likely to fall by four times this year as opposed to the last year. According to Boris Baturo, a Municipal Housing Minister, this drastic drop has to do with low flat rentals. As of today, the rental payment can cover only 3-5% of the expenses related to housing maintenance. Incidentally, at the moment there are 703,000 families on a flat waiting list.

44 MLN CUBIC METRES OF NATURAL GAS

is daily pumped into Belarus by Russia. "GASPROM" company threatened to cut the "blue" fuel for Belarus since this country is indebted over RUR 500 bln to Russia.

THE FRENCH DEMOCRATIC LABOUR FEDERATION

has sent Premier Vyacheslav Kebich a letter expressing a concern over the attitude which the Belarusian authorities are displaying towards some representatives of independent and free trade unions of Belarus. In particular, the name of Vyacheslav Kozel, the Chairman of a free trade union at the Minsk tractor plant, is mentioned in this letter.



During a three-day visit the UN Secretary General Boutros Boutros-Ghali promised Belarus assistance and international relief in dealing with the Chernobyl problem as well as disarmament programmes and compensation for the uranium (under the Nunn-Lugar law).

VISA RESTRICTIONS

imposed at the Lithuanian-Belarusian border have not effectively reduced the passenger flow to Lithuania. The vendors from the adjacent frontier areas of Belarus still take foodstuffs to the Vilnius market. However, they have to pay \$7 for a single-entry visa which is valid for 10 days.

BELARUSIAN NATIONALS LIVING ABROAD

have raised funds for a statue of the Madonna which is to be mounted on the left altar of Zolotaya Gorka Cathedral in Minsk.

BELARUS AND SWEDEN

have concluded the first ever government agreement on trade and economic cooperation. It calls for fostering Belarusian-Sweden relations and making it possible to side-step double taxation.

ELIAHU VALK, ISRAELI AMBASSADOR TO BELARUS

has given a unique publication to the Belarusian scientists. These are 5 facsimile-updated books of the Old Testament which were translated into the Old Belarusian language by Jewish prophets back in the 16th century.

TO THE CHILDREN OF CHERNOBYL

Belarusian charitable fund's representatives have paid a visit to the USA in keeping with the invitation sent by the "Women for Peace" world federation. The purpose of their trip was establishing contacts and discussing common cooperation projects on improving the health of the Belarusian kids who had suffered

147 PEOPLE INCLUDING 14 CHILDREN

have perished in fires over 3 months in Belarus. 2,063 fires have hit the country so far leaving a BRB 2,5 bn damage.

300 FIRE AND GAS PISTOLS

and over 6,500 tear-gas containers were confiscated from passengers leaving the CIS for Western Europe by frontier guards at the Brest checkpoint last year. After a short smuggling breather the customs officers have spotted 25 revolvers in the ceiling of a Wunsdorf-Moscow train.

BELARUSIAN-BRITISH GOVERNMENT AGREEMENTS

on economic cooperation and investment assistance have been signed by Vladimir Radkevich, the Chairman of the State Committee for Foreign Economic Relations, and Michael Heseltine, the trade and industry Minister of Great Britain.



On his visit to Belarus the US Defense Minister William Perry discussed with the Belarusian side the disarmament commitments and a possibility of joining "Peace Partnership" programme.

Minsk Economic News

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PHILARMONIC SOCIETY

Concert Hall

- April 15: Piano music. Yury Blinov
Beethoven, Chopin, Schumann, Skryabin
- April 16: Concert to commemorate the 175th anniversary of S. Manushko
State Symphony Orchestra of Belarus
Conducted by Victor Dmukhovskiy (Poland)
Shyma Capella Choir
Directed by Ludmila Efimova
Soloists from Belarus and Poland
- April 24: Piano music. Igor Olovnikov
Bach, Chopin
- April 29: Nikolai Petrov, piano (Moscow)
Ludmila Golub, organ (Moscow)

Chamber Hall

- April 15: "Organ Plus..." International Festival
Alexander Fiseisky (Moscow)
"Classic-Vanguard"
Art Director Vladimir Baidov
Handel, Mozart, Vivaldi,
Salieri, Davis
- April 17: Theatrical to commemorate the 175th anniversary of S. Manushko
Featuring musicians from Poland and Belarus
- April 28: Poetical Show of Victor Voitik

Contact phones: 33-35-30, 33-51-03

BELARUS BOLSHOI

- April 15: Andrei Petrov — Creation of Universe
April 16: Rossini — Seville Hairdresser
April 17: A. Khachatryan — Cippolino (matinee)
Verdi — Traviata, soiree
April 19: Chaikovsky — Nut Cracker
April 20: Ravel — Bolero
Armsheimer — Cavalry at Rest
April 21: Rossini — Seville Hairdresser
April 22: Chaikovsky — Nut Cracker
April 23: Mozart — Wedding of Figaro
April 24: Alexander Budko — Peter Pan, (matinee)
Adan — Corsar, (soiree)
April 26: Prokofiev — Romeo and Juliette
April 27: Chaikovsky — Sleeping Beauty
April 28: Chaikovsky — Iolanta
April 29: Chaikovsky — Swan's Lake
April 30: Verdi — Traviata

Contact phones: 34-11-56 - promotion manager;
34-10-41 - opera booking office;
34-11-42 - ballet booking office

GALLERIES

- "At Maxim's". Follow-up to the "Spring Magic Breath" Exhibition. Water-colour painters of Belarus.
Tel: 34-42-69
- State Art Gallery. Amateur painters of Belarus. Art exhibition and sale of Belarusian painters.
Tel: 33-02-38, 33-05-49
- "Medeya". Contemporary Belarusian Painting.
Tel: 27-78-63

NATIONAL ART MUSEUM

- Until April 20: Exhibition of Anton Stankovsky (Germany). Polygraphic design, photography and construction
April 22 - May 23: Ludmila Myagkova. Art stained glass
April 27 - May 28: Alex Ksendrov. Painting.
Tel: 27-67-22